

Home Improvement SCAMS

Don't fall for them

Sometimes a scam artist will just show up at your door. It's commonly referred to as a door-to-door sale and it's a favorite among bogus home improvement operators. Seniors, those who live alone, and victims of weather-related disasters are common targets.

WHEN TO BE SKEPTICAL

- The person at your door notices that your roof (or another area on your house that is hard to check) needs repair. He may trick you into signing a contract without disclosing all the charges.
- He says he just finished work on your neighbor's house and has just enough materials to do repair work on yours. He might say he can give you a better bargain if you let him do the work today since he has the supplies now.
- The contractor is pressuring you to accept an offer.

FINDING A CONTRACTOR

- Take your time. Don't let the contractor rush your decision.
- Do research. Know how much you can afford and what you want done.
- Contact the Attorney General's Consumer Protection Division and the Better Business Bureau for complaint information on contractors you are considering.
- Talk to your friends who used this contractor. Did they like his work?
- Opt for the local, well-established contractor. Don't assume that an ad makes the contractor reliable.
- Compare bids and services. Be skeptical if the bid is too low. Cheaper is not necessarily better. A contractor with a low price may be inexperienced and unable to finish the work for the amount bid.
- Get bids in writing. Does the bid reflect the improvements you discussed? How long will the project take? A detailed, written proposal allows you to shop around.
- Is the contractor licensed, bonded and insured? Licensing requirements vary from community to community. Check with your city or county building department to determine the licensing requirements for your area and if the contractor you are considering is properly licensed, bonded and insured.

BEFORE SIGNING THE CONTRACT

- Get a written contract. Indiana law requires home improvement contracts exceeding \$150 to be in writing. Before signing the contract, make certain it includes:
 - The price of the job
 - Payment schedule
 - A detailed description of the work and materials (including colors, brand names and patterns)
 - Estimated start and completion dates
 - The contractor's name and address
 - A name and telephone number of the person to contact if problems arise
 - The contractor's signature
- Never pay for the entire project before the work begins. Do not pay more than 1/3 of the total cost as a down payment. Remaining payments should be tied to completion of specified amounts of work.

(OVER)



AFTER SIGNING THE CONTRACT

- Is a permit needed for your home improvement? Many localities require permits for building projects. Contact your local building department to see if a permit is needed. A contractor should not start work until the permit is issued.
- Don't make the final payment to the contractor until you know that all subcontractors and/or suppliers have been paid. Get written proof of payment. Subcontractors and suppliers may file a mechanics lien against your home if they haven't been paid.
- Get a copy of the warranty. If a contractor guarantees labor and/or materials, those warranties should be in writing.
- Keep all records related to your project. This includes the contract, change orders, warranties, and correspondence. These records are important, particularly if you have a problem with your project.

Even if precautions are taken, problems may arise. Take time to talk to your contractor to resolve these issues. If problems continue, put your complaints in writing and send them to the contractor. Be sure to keep a copy of these complaints for your records.

RESOURCES

The Consumer Protection Division of the Indiana Attorney General's Office works to safeguard the rights of Indiana citizens every day. If you have questions or complaints regarding home improvement scams, or other appropriate consumer issues, contact the Attorney General's Consumer Protection Division using the address and phone number listed at the bottom of the front page, or visit www.in.gov/attorneygeneral for more information.